

*DEPARTMENT OF HUMAN SERVICES
REPORT ON FISCAL YEAR 1999*

Kauai

Oahu

Maui



Hawaii



The cover shows Dr. P. Ming-lei Tim Sing of Waimanalo Health Center
and her client Irae Kong.

By courtesy of the photographer Mr. Brian Reed and Waimanalo Health Center.
Other photographs of Mr. Reed's are on Pages 29 and 30



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

December 15, 1999

Aloha,

The Department of Human Services is proud to report our accomplishments for 1999. The Department looks eagerly to the next century and plans to continue to improve our high quality programs and services for the people of Hawaii.

The mission of the Department is to provide services and help residents of Hawaii who are in need. Our responsibilities cover welfare programs, child care, adult and child protection, medical assistance, food stamps and vocational rehabilitative services for the disabled. I am honored to be the director of such an efficient and effective workforce. Our programs have received national recognition and our staff is dedicated to continuous improvement.

This report describes the major programs and achievements for fiscal year 1999. Each section begins with a program description that outlines the federal or state law that governs our activities. Each program has a goal statement and a list of accomplishments and/or activities designed to meet that program's objectives. When possible, we outline our plans for continued success or corrective actions designed to improve our programs. We have stated our outcomes and the measurements used in our major areas, as well as the processes we use to evaluate our progress. Most of our programs have federal reporting requirements which we submit to the appropriate agency for their review. In addition, we submit an annual budget request to the State Legislature with testimony outlining our plans and timelines.

We hope that this report is useful. Please check our website for more information. Our address is www.state.hi.us/dhs. Our phone number is 586-4997. Our mailing address is P.O. Box 339, Honolulu, HI 96809.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. Chandler".

Susan M. Chandler
Director

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**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
INTRODUCTION**

Mission

The mission of the Department of Human Services is to direct our resources toward protecting and helping those least able to care for themselves, and to provide services designed towards achieving self-sufficiency for clients as quickly as possible. We are committed to maintain a high level of quality, efficiency and effectiveness in our services.

Goals

- To provide social services that will strengthen families.
- To provide protective services for children and adults that are tailored to respond to each individual's and family's needs.
- To provide cash assistance, food stamps, and health insurance to eligible individuals and families accurately, appropriately and in a timely manner.
- To provide job training and placement services to help individuals become financially self-sufficient.
- To work in partnerships with the families we assist, our local communities, other state and private agencies.
- To provide staff training and support that enables DHS employees to do their jobs effectively and efficiently.

Our Belief

People need governmental assistance because they lack sufficient resources to meet their basic needs for shelter, food, medical care, and other essentials of day-to-day living. A financial crisis may be brought about by a variety of reasons such as a parent leaving the home, an illness, an unplanned pregnancy, or the loss of a job.

To meet this need, the Department administers individual and family financial assistance programs. The financial assistance programs provide cash payments to help the individual and families receive basic essentials. The financial assistance programs include Temporary Assistance to Needy Families (TANF), Temporary Assistance to Other Needy Families (TAONF), General Assistance (GA), Aid to the Aged, Blind, and Disabled (AABD), and the Food Stamps program. Medical assistance is provided through the Hawaii QUEST and Medicaid fee-for-services programs. Vocational Rehabilitation Services are provided to persons with disabilities.

While employment will help most of these families become self-sufficient, many face a number of barriers to employment, e.g. lack of job skills and work experience; uncertainty of childcare resources; emotional issues due to physical or sexual abuse; drug or alcohol addiction; low self-esteem. Help in removing such barriers will increase the family's chances of attaining and maintaining self-sufficiency.

In addition to financial assistance, the Department arranges for employment and training programs for individuals and families to help them earn enough income to meet their needs. These programs provide evaluation, counseling, training or education, and job placement services.

Current Organization

The Department of Human Services has 1,800 employees. It is divided into four divisions, supported by central services from the staff offices. An organization chart is at Appendix A. The Department has branch offices in each county and field offices on all major islands, except Kahoolawe. The Department's budget now exceeds \$1 billion annually, most of which is spent on direct payments to clients, health care benefits, food stamps, and purchase of service contracts provided by private and non-profit organizations.

Significant Achievements

The Department of Human Services has achieved many notable accomplishments.

- During 1998, the Department was rated number 1 in the nation for increasing the rate of adoption of children in one year. The state was awarded \$518,311 from the U.S. Department of Health and Human Services as bonus.
- For outstanding accuracy in the administration of the Food Stamp Program in federal Fiscal year 1998, the Department won a bonus of \$1,700,458 from the U.S. Department of Agriculture. Since 1995, the Department has won \$6,728,792.
- The Department is continuing its focus on helping people attain self-sufficiency. Welfare recipients reported significant earned income which means that many of them are making an effort to hold gainful employment. Taking the last month of each fiscal year for comparison, in June 1998, 7,145 families reported earned income of \$4,690,129.94. In June 1999, the numbers rose to 7,874 families reporting \$5,934,636.14. As a result, the reduction in cost to the State was \$2,280,469 in June 1999.

The Department of the Future.

- The Department is committed to protecting the most vulnerable citizens in the state.
- The Department will continue to develop high quality services. Our work is measured by the outcomes we provide for people, not the processes.
- We have continued our efforts to locate services in the community.
- We will ensure everyone who is eligible for assistance receives it quickly and enters into activities that move them toward self-sufficiency. In 2000, our target for employment participation rate for welfare recipients is 45% of able-bodied adults.
- The Department will aim at increasing productivity through upgrading technology, a committed workforce, and increased collaboration with our private-sector partners.

CHAPTER ONE
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) AND
TEMPORARY ASSISTANCE TO OTHER NEEDY FAMILIES (TAONF)

Program Description

TANF/TAONF are the welfare reform programs designed to protect those who cannot work and need financial assistance and to require those that can work to work. Unlike the old welfare program, which fostered dependence and low self-esteem, the TANF/TAONF programs require work and promote self-reliance, responsibility and family stability. TANF/TAONF offer a package of strong incentives and penalties, childcare support for working parents and restructured welfare benefits so it “pays to work”. Because these benefits are time limited, we have strengthened our push for self-sufficiency. Effective July 1999, the Department implemented full family sanctions for non-compliance with program requirements. Previously, if an adult did not cooperate, we stopped benefits to that individual but continued to assist the family. Beginning July 1999, non-cooperation resulted in the entire family losing financial assistance.

TANF/TAONF provide monthly cash benefits to families for food, clothing, shelter, and other essentials. For non-exempt families, eligibility for monthly cash benefits is limited to five years. To qualify, a family must include children under the age of 19 and the family’s total gross income must be under 185% of the 1993 federal poverty level (FPL) by household size for Hawaii. For a household of three persons, this means a monthly income of less than \$2,109. For an exempt¹ household, their net income must be under 62.5% for the 1993 FPL by household size. For a non-exempt household, their net income must be under 50% of the 1993 FPL by household size. (Again, for a household of three, 100% of the 1993 FPL is a monthly income of \$1,140.) All TANF/TAONF households are permitted to acquire and keep resources or assets, but the combined total must be under \$5,000. One vehicle per household and the home in which a household resides are exempt from consideration as an asset/resource.

Whether a family participates in TANF or TAONF depends on the household composition. In families where all the members are U. S. citizens and no child has two legal parents residing in the home, the family is eligible for federally funded welfare under TANF. Families that have at least one non-citizen or where at least one child has both of his or her parents residing in the home, are eligible for state-funded welfare under TAONF. Other than the funding sources, the TANF/TAONF programs are identical.

The Electronic Benefits Transfer (EBT) card system was implemented in 1998. This card has the individual’s cash benefits and food stamp equivalent which may be drawn down like a debit card.

Program Goal

Families will achieve financial self-sufficiency.

Objective	Measurements
The total economic well-being of the client will improve.	1. Average earnings per case will increase 2. The proportion of individuals working increase. 3. Total income will increase. 4. Hours worked will increase.

1 An ‘exempt’ adult is a recipient who is not required to participate in work activities and whose benefit is not time-limited. These individuals may be disabled or have a child under 6 months old.

Objective	Measurements
Family stability will improve.	The percentage of intact (two parent) households will increase.
Recidivism will be reduced.	Fewer cases will return to welfare once off.
There will be increased financial assistance program savings.	Financial assistance program costs will decrease.

Achievements in 1999

Hawaii's welfare reform program is innovative, progressive and realistic. It provides the right combination of incentives to work and disincentive to remain dependent on public assistance. The Department had many significant achievements in Fiscal Year (FY) 1999.

- The cost of assistance per TANF household has decreased from \$584 in FY 1997 to \$518 in FY 1998 and \$495 in FY1999.
- The cost of assistance per TAONF household has decreased from \$636 per household in 1997 to \$604 per household in 1998 and \$571 in 1999.
- In FY 1997, two parent families represented 13% of our TANF/TAONF caseload. In FY 1998 they represented 26% of our TANF/TAONF caseload and in FY 1999 that number increased to 30%.
- The average length of time on assistance has decreased from 30 months in 1997 to 29 months in 1998 and 27 months in 1999.
- The number of employed individuals increased from 6,550 in FY 1997 with gross income of \$3.7 million to 7,596 in FY 1998 with gross income of \$5.1 million and to 8,477 in FY 1999 with gross income of \$5.9 million.
- The Department has developed a working relationship with the Office of Community Services to do job counseling and job development for our non-English speaking clients. These services will be provided in their native language.
- The Department has contracted with community agencies and the Department of Labor and Industrial Relations to provide job development and job placement for two parent households and staff are involved in discussions with private agencies who provide job search training to individuals.
- DHS is attempting to coordinate referral of our clientele to these resources in an effort to maximize the use of available community resources at no additional expense to the state.
- DHS has developed a domestic violence exemption program and a grant diversion program for non-profit agencies.
- The Department is currently exploring the feasibility of expanding the grant diversion activities to support employment and eliminate the need to enter the welfare system.
- The Department is considering expanding educational support and has entered into discussions with the tax office and the Department of Labor and Industrial Relations regarding employment supports and tax incentives.

**Reduction in Welfare Costs
(By Selected Months)**

	Dec. 96 (FY 1997 – Included for Comparison)	Sept. 97	June 1998	June 1999
No. of Households Assisted	22,785	23,573	23,570	23,336
Monthly Benefits Paid to Recipients	\$15,070,488.	\$12,920,843	\$11,324,230	\$11,746,150
Households Reporting Earnings	5,546	6,548	7,145	7,874
Gross Earned Income Reported	\$218,399	\$3,717,973	\$4,690,130	\$5,934,636
Monthly Cost Reduction to DHS as a Result of Earnings	\$167,251	\$1,443,317	\$1,823,014	\$2,280,469

The People Served by the TANF/ TAONF Programs

Each family that receives financial assistance, whether funded through the TANF or TAONF programs is different. However, we can identify characteristics which are common.

TANF/TAONF Caseload

Fiscal Year	TANF Families per Month	TAONF Families per month	Total Families per Month	Average Time on Assistance
1996	20,381	2,837*	23,218	30
1997	19,822	3,212*	23,034	30
1998	17,253	6,277	23,530	29
1999	16,547	7,112	23,659	27

* Includes AFDC-Unemployed Parents (AFDC-UP) and GA cases which were reclassified as TAONF cases in July 1997.

Size of Family

Average Case Size	3.2 people
1 adult and 1 child	24.9%
1 adult and 2 children	17.1%
1 adult and 3 or more children	15.7%
2 adults and 3 or more children	11.8%
2 adults and 2 children	7.8%
No eligible adult and 1 child	7.8%
2 adults and 1 child	7.1%
No eligible adult and 2 children	3.7%
No eligible adult and 3 or more children	2.9%
One adult and 0 children	0.9%

Head of Household Characteristics

Female	92%
Male	8%
Under 35 years old	61.5%
Never married	52.6%
Married	5.4%
Separated or divorced	40.7%
Widowed	1.3%
Head of household disabled	23%
Head of Household with Grade 12 or higher education	62%

Ethnicity

Mixed ethnicity, other than Part-Hawaiian	38.3%
Part-Hawaiian	28.2%
White	10.4%
Samoan	7.1%
Filipino	8.2%
Hispanic, Black or Asian	7.8%

CHAPTER TWO GENERAL ASSISTANCE (GA) PROGRAM

Program Description

The General Assistance Program provides cash benefits for food, clothing, shelter, and other essentials to adults who are disabled but do not qualify for Social Security benefits and they do not have dependent minors. To qualify, the adult must have little or no income, not qualify for a federal category of assistance and must be certified by a DHS medical board to be unable to engage in any substantial employment of at least thirty hours per week for a period of at least sixty days.

The GA assistance amount is adjusted throughout the year, based on the number of people participating in the program. The adjustment is the result of a block grant appropriation from the legislature. It is necessary to remain within the funding allocation so the monthly benefit amount may vary throughout the fiscal year.

Program Goal

To provide temporary economic assistance to those eligible for financial support, to assure they receive at least a minimally adequate standard of living.

Objective	Measurements
Eligibility based on disability will be standardized.	All applicants will be referred to a medical provider contracted by the department and 100% of disability statements will be reviewed by a departmental board.
Supplemental Security Income SSI referrals and approvals will increase.	Based on departmental board review and recommendation, clients will be referred to Legal Aid Society of Hawaii for SSI advocacy.

Achievements in 1999

All individuals who claim a disability are examined by a contracted medical provider. All medical examinations are then reviewed by a departmental board. This process has been implemented state-wide and has standardized the definition of disability. All those needing assistance are now being judged on the same standard.

The Legal Aid Advocacy contract for Social Security Benefits was extended to maximize help for those receiving assistance. Effective this year, this service was made available to "state" funded families as well as singles. 351 individuals were converted from state assistance to federal Social Security as a result of this contract. This is almost twice as many as in the previous fiscal year.

These two changes have been instrumental in decreasing the average length of time on assistance from 17 months to 10 months. They have also resulted in a decrease in the number of individuals being served. The short-term disabled are receiving GA benefits and the long-term disabled are being transferred to the federally funded Social Security Program.

The People Served by the General Assistance (GA) Program

GA Caseload

Year	Individuals per Month
1996	12,510
1997	9,273
1998	6,373
1999	5,718

Typical Characteristics

Characteristic	Individuals
Age of Head of Household	
29 or less	18.3%
Between 30 and 39	28.2%
Between 40 and 49	32.1%
Between 50 and 59	17.7%
60 and over	3.4%
Marital Status -- Single	54.0%
Gender of Head of Household	
Male	60.9%
Female	39.1 %

Ethnicity

White	34.9%
Mixed ethnicity, other than Part-Hawaiian	20.5%
Part-Hawaiian	19.6%
Filipino	7.4%
Japanese	4.5%
Black	3.1%
Hispanic	2.6%
All others	7.4%

Citizenship

United States Citizens	95%
Non-Citizens	5.0%

CHAPTER THREE
AID TO THE AGED, BLIND AND DISABLED (AABD)

Program Description

AABD provides cash benefits for food, clothing, shelter and other essentials to adults who are elderly (65 years of age or older) or that meet the Social Security Administration (SSA) definition of disabled. To qualify, the individual must have countable income below 62.5% of the 1993 federal poverty level and may not have resources in excess of \$2,000 for a single person and \$3,000 for a couple.

Program Goal

To provide economic assistance to those eligible for financial support to assure they receive at least a minimally adequate standard of living.

Objective	Measurement
To decrease or contain the cost of issuance of state benefits through the SSA	Budget reviews
To guarantee that all of those desiring assistance, who are eligible, receive benefits	Quality assurance checks
Expedite the reimbursement of SSI benefits to eligible households	All reimbursements will be completed within 30 days of the department receiving a warrant from the SSA

Achievements in 1999

The department is current in its reimbursements of SSA warrants. We are currently meeting the federally imposed time frame. Also, the approvals and reimbursements from Supplemental Security Income have increased significantly. This is important as it provides more money to these individuals and shifts the cost from the state to the federal government.

Reimbursement of State Funds from SSA

Fiscal Year	Reimbursement from SSA	Cost of Contract with Legal Aid Society of Hawaii for Reimbursement Activities	Gain
1998	\$1,439,208	\$159,813	\$1,279,395
1999	\$2,405,526	\$356,469	\$2,049,057

The People Served by the Aid to the Aged, Blind and Disabled (AABD) Program

AABD Caseload

Year	<i>Persons per Month</i>
1996	2,840
1997	3,060
1998	3,213
1999	3,227

Typical Characteristics

Characteristics	Individuals
Age of Head of Household	
Under age 65	48%
Age 65 and over	52%
Marital Status	
Married	30.29%
Single	25.44%
Widowed	22.5%
Gender of Head of Household	
Female	57%
Male	43%

Ethnicity

Filipino	31.3%
Other – mixed (not Part Hawaiian)	16.7%
White	10.7%
Hawaiian or Part Hawaiian	10.0%
Chinese	11.3%
Korean	7.5%
Japanese	4.8%
Others	7.7%

Citizenship

United States Citizens	59.1%
Non-Citizens	40.9%

Other Data

Average Length of Time on Assistance	23 months
Household Size	
One member households	84%
Two member households	16%

CHAPTER FOUR FOOD STAMP PROGRAM

Program Description

Eligible low-income families are issued with benefits under the Food Stamp Program. It is a federally funded program through the U.S. Department of Agriculture. The purpose of the program is to safeguard the health and well being of the nation's population by raising the level of nutrition among low-income households. They may purchase food using their Electronic Benefit Transfer (EBT) Card which has replaced food stamp coupons on all islands in August 1998.

To qualify, a household must have income below 130% of the federal poverty level which is \$1,709 for a family of 3 in 1999. Households may not have resources in excess of \$2,000 unless one of the members is over age 60. The resource maximum for these households is \$3,000. Benefit amounts are based on income and family size. The current maximum benefit amount for a family of three is \$518.00.



Governor Cayetano and Director Chandler
receiving a BIG check from Mr.

Program Goal

To deliver benefits and services accurately and in a timely manner.

For FY 1998, the division achieved a payment accuracy rate of 95.18%. This rate was the second highest in the nation and resulted in the state receiving \$1,700,458 in additional federal funds.

Program Objective

- To meet federal compliance standards.
- The attainment of the high payment accuracy has ensured that the division will continue to meet federal compliance standards.

Statistical Summaries

Number of Persons Participating in the Food Stamp Program

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average	46,408	29,190	4,531	13,024	1,104	30,160	124,418

AFDC = Aid to Families with Dependent Children recipients
AFDC-UP = Aid to Families with Dependent Children -- Unemployed Parents recipients
GA = General Assistance recipients
SSI = Supplemental Security Income recipients
ABD = Aid to the Aged, Blind and Disabled recipients
NPA = Non-Public Assistance recipients

Number of Households Participating in the Food Stamp Program

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average	15,123	7,084	4,316	10,807	991	17,515	55,836

Food Stamp Coupons Issued in Terms of Dollar Amount

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average	\$5,655,410	\$3,306,538	\$716,117	\$1,556,271	\$159,678	\$3,521,966	\$14,915,980

Impact of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) on the Food Stamp Program

The following were the major changes made as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996:

- Most legal immigrants are ineligible for benefits.
- New work requirements for Able-Bodied Adults without Dependents resulted in certain recipients receiving benefits for a maximum of three months in a thirty-six month period.
- The state is required to make available information to law enforcement officials under certain conditions.
- Disqualification penalties for Intentional Program Violators are doubled.
- The application processing timeframe for expedited services was extended to seven calendar days.
- Fleeing felons, probation violators and parole violators are ineligible for benefits.
- The resource limit for the fair market value of vehicles was raised to \$4,650 (up from \$4,500).

CHAPTER FIVE FIRST-TO-WORK

Program Overview

The First-to-Work (FTW) Program was implemented in FY 1997. This Work Program is designed to assist able-bodied adults to become attached to the workforce. FTW serves Temporary Assistance for Needy Families (TANF) recipients and puts emphasis on: employment, skill-building, training, on-the-job training, and job search activities. FTW also provides supportive services like childcare, transportation reimbursement, and work related expenses.

Program Goal

To assist able-bodied persons receiving cash assistance to obtain employment and to become self-sufficient.

Program Highlights of First-to-Work Program

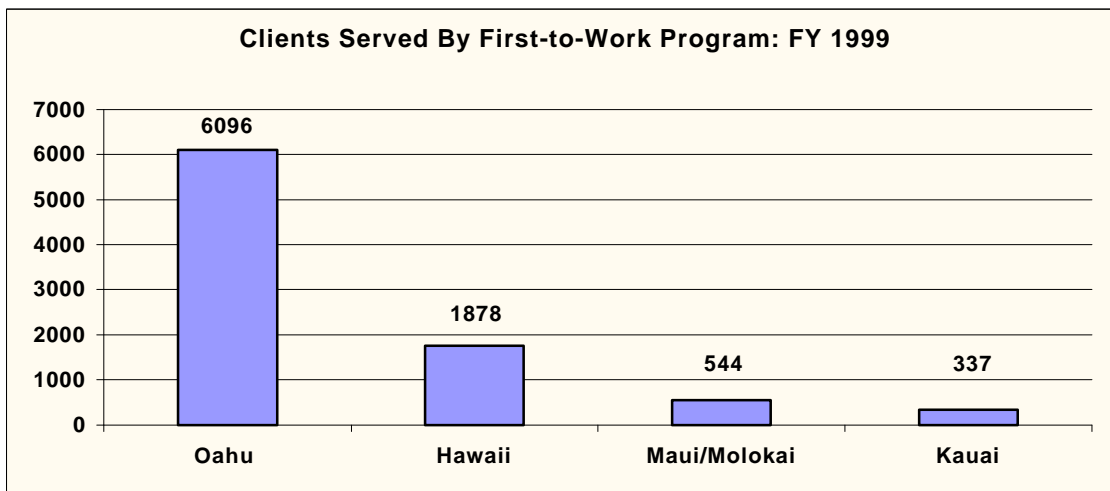
- 3,706 intakes into the First-to-Work Program in FY 1999.
- An average of 137 participants per month were enrolled in Ho'ala or 1,639 participants for the year.
- A total of 26,090 childcare slots were provided during the year to FTW participants. This amounted to an average of 2,174 children in care per month.
- During FY 1999 the Work Plus (Work+) Program had an average monthly number of placements of 480.
- During FY 1999 the Transitional Opportunity Program (TOP) had an average monthly number of placements of 70.

Progress on Program Outcomes

- During FY 1999, the average number of participants working while in the program averaged 1,735 per month for the year.
- By the end of June 1999, there were a total of 4,278 TANF clients working and 4,199 TAONF clients working. Together there were 8,477 clients working as of June 1999.
- A total of 405 FTW participants exited the program due to employment during FY 1999. This number is about the same as last year. Because of a change in program policy that requires units to close cases where clients have worked an average of 20 hours per week for 90 consecutive days, fewer clients exit TANF directly from First-to-Work. The number of cases released in this manner during FY 1999 was 524. Total exits from FTW due to employment equaled 929.
- Both average and median wages dropped during FY 1999. The average wage for clients exiting employment in FY 1999 was \$7.46 per hour, compared to \$8.16 per hour in FY 1998. The median wage for FY 1999 was \$7.00 per hour compared to \$7.50 per hour in FY 1998. This drop was caused by a larger number of recipients going to work at lower wages than the prior year.
- The dollar value savings due to 405 exits due to employment was \$2,405,700.
- Progress on achieving 30% performance target for Federal FY 1998:
 - Achieved 30.8% final participation rate for Federal FY 1998.
- Progress on achieving 35% performance target for Federal FY 1999:
 - Achieved estimated 45% participation rate through June 1999.

Clients Served by the DHS Work Program

Island	FY 1996	FY 1997	FY 1998	FY 1999	Total
Oahu	4,804	5,248	5,878	6,096	16,148
Hawaii	945	1,100	1,477	1,878	3,596
Maui/Molokai	208	354	386	544	989
Kauai	137	166	175	337	469
Total	6,094	6,868	7,916	8,855	30,057



Age Distribution of FTW Clients: FY 1999

Age	Count	Percent of Total
<16	29	0.33%
16 to 24	1,978	22.34%
25 to 34	3,615	40.82%
35 to 44	2,532	28.59%
45 to 55	633	7.15%
55+	68	0.77%
Total	8,855	100.00%

Ethnic Distribution of FTW Clients: FY 1999

Ethnicity	Number	%
Mixed Ethnicity	881	9.95%
Part Hawaiian	3,766	42.53%
Caucasian	1,350	15.25%
Filipino	956	10.80%
Samoan	583	6.58%
Asian, Black, Hispanic	1,004	11.34%
Other	315	3.56%
Total	8,855	100.00%

Future Performance Targets

Performance Targets for the First-to-Work Program for Federal FY 2000 will be:

- To have 45% of the TANF mandatory population meeting the 20 hour participation requirement by September 30, 2000. This target compares to the Federal expectation that 40% of the population should be in compliance with this requirement by that time.
- To have 5,000 TANF adults working for pay by September 30, 2000.
- To have 500 TANF participants in Work Plus (Work+) by September 30, 2000.
- To have 100 TANF participants in TOP by September 30, 2000.

EMPLOYMENT AND TRAINING

Program Overview

The Employment and Training (E&T) Program is implemented statewide. This Work Program replaced the PRIDE Program on Oahu, and is designed to assist able-bodied adults to become attached to the workforce. E&T serves Food stamp recipients and puts emphasis on: employment, work experience, training, on-the-job training, and limited job search activities. E&T also provides supportive services in the form of a participant reimbursement to cover work-related expenses and childcare.

Program Goal

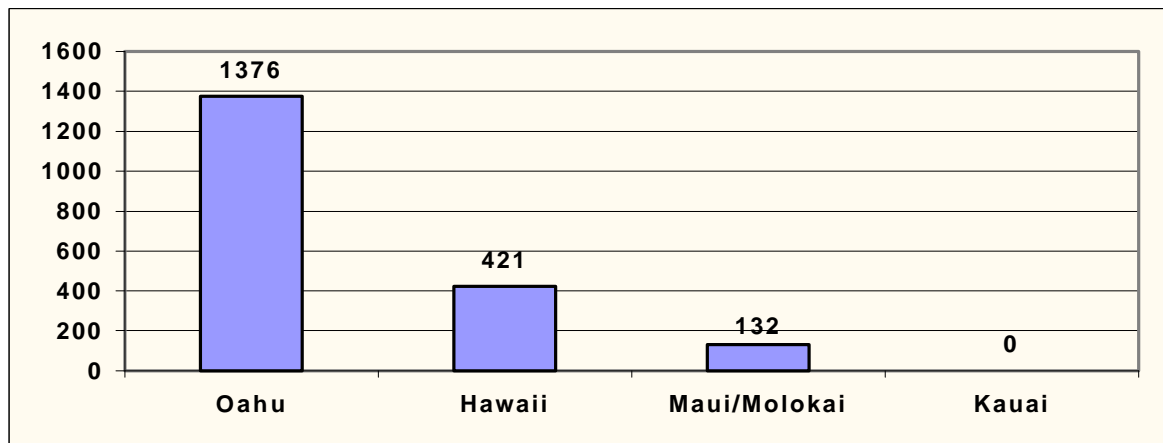
To assist able-bodied persons receiving Food Stamps to obtain employment and to become self-sufficient.

Program Highlights of Employment and Training Program

- 1,929 intakes into the E&T Program.
- During FY 1999 a total of 541 clients were employed who worked a total of 304,467 hours during the year.
- During FY 1999 a total of 243 clients were involved in work experience who worked a total of 49,517 hours.
- During FY 1999 there were a total of 299 exits due to employment.
- During FY 1999 the average wage at exit was \$7.55 per hour and the median wage was \$7.00 per hour.

Persons Served by the E&T Program:

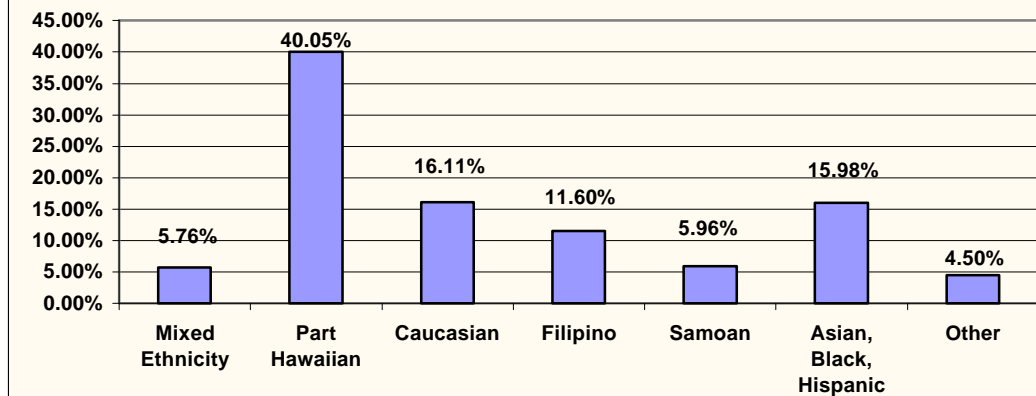
Employment and Training Clients Served by Island: FY 1999



Age Distribution of Employment and Training Clients: FY 1999

Age	Count	Percent of Total
<16	0	0.00%
16 to 24	457	23.69%
25 to 34	413	21.41%
35 to 44	540	27.99%
45 to 55	406	21.05%
55+	113	5.86%
Total	1,929	100.00%

Ethnic Distribution of Employment and Training Clients: FY 1999



Future Performance Targets

Performance targets for the Employment and Training Program are:

- To have 622 E&T clients employed by June 30, 2000.
- To have 342 E&T clients exit due to employment by June 30, 2000.
- To have 279 E&T clients involved in work experience programs by June 30, 2000.

CHAPTER SIX CHILD CARE CONNECTION HAWAII

Program Overview

The Child Care Connection Hawaii Program is a statewide service that offers childcare licensing and childcare payment assistance to needy families. Under the licensing program, the primary intent is to ensure the safety, health, and well being of children cared for within licensed facilities. Under the payment assistance program, financially needy families can apply for childcare assistance if they work or are attending training to become self-sufficient.

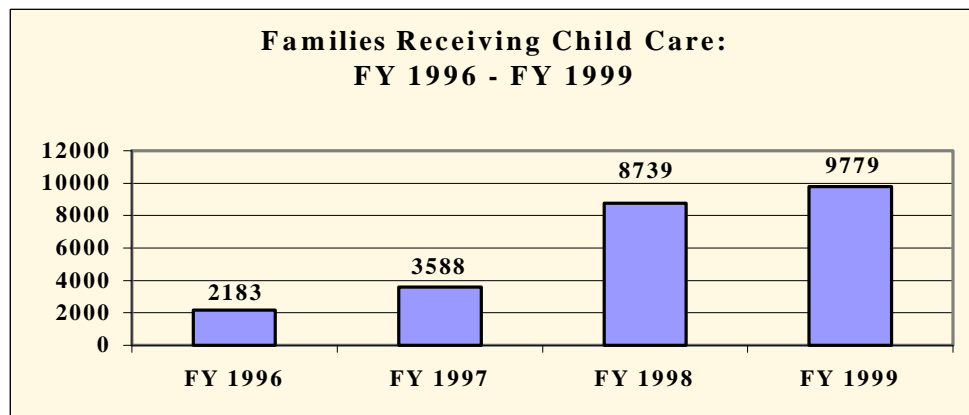
Program Goal

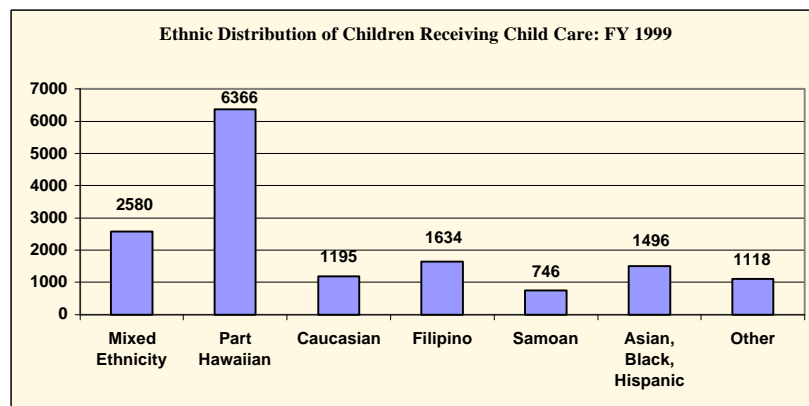
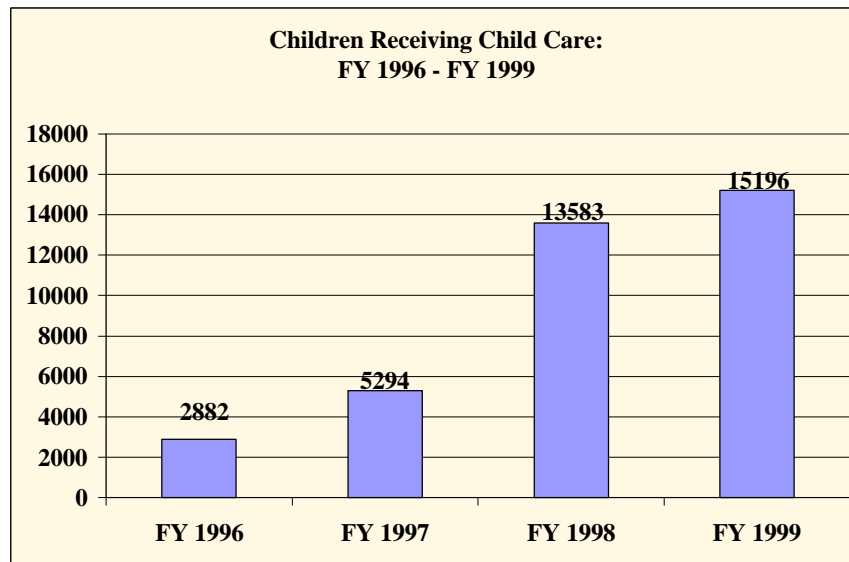
To assist able-bodied persons receiving cash assistance to obtain employment and to become self-sufficient.

Program Highlights of Child Care Connection Hawaii

- There were 9,779 active families receiving Child Care Payment assistance for 15,196 children.
- Payments totaling \$26,399,748 were made to families.
- Number of Family Child Care Homes Licensed: 491
- Number of Group Care Centers (Includes Group Child Care Homes, Before and After School, and Infant Toddler Centers): 500
- Licensed Child Care Slots Available: 11,000+.

Clients Served





Future Performance Targets

Performance targets for the Child Care Connection Hawaii Program for FY 1999 are:

- To have 491 Family Child Care Homes licensed by June 30, 2000.
- To have 500 Group Care Centers licensed by June 30, 2000.
- To have 11,000+ Child Care slots available by June 30, 2000.
- To provide childcare payments for 15,196 children by June 30, 2000.

CHAPTER SEVEN CHILD WELFARE SERVICES

Program Description

The Child Welfare Services (CWS) Program's goals are to ensure the safety and security of children in their own homes or when necessary, in out-of-home placements. Child Welfare Services' will be community based and neighborhood focused. Practice will be strength-oriented and family empowering. Activities will be collaborative with multi-disciplinary partnerships and evaluated by outcomes.

When the Department receives a report of child abuse or neglect, the program staff responds by initiating an investigation of the child's situation. In collaboration with the police department, CWS may provide emergency protection for the child by immediately removing the child from his or her family or residential setting. Crisis intervention is provided to protect all children from harm. Treatment, counseling, and referral services are provided as appropriate to assist families maintain safe, nurturing and protective homes for children. When removal from the home is necessary for the safety of the child, and the child cannot be safely returned to the family, CWS arranges for foster homes, adoption placement, guardianship or permanent foster home placements to insure that the child is in a safe and stable environment.



The Child Welfare Services program also licenses and monitors foster homes and child placing organizations.

Recent legislative changes, both federally and in Hawaii, have strengthened the focus on child protection and emphasized the responsibility of the department to insure the child is provided a safe and nurturing permanent home, either with their family or, if the family home cannot be made safe, with adoptive parents, guardians or in permanent foster care. Family re-unification efforts are time-limited and the Courts are being asked more quickly to terminate the parental rights of parents who are unwilling or unable to make the changes that would insure a safe

home for their child. CWS anticipates that the long-term effect of these new laws will be that more children will move into permanent placements and more quickly.

Demographics

Number of Confirmed Cases

	FY 1997	FY 1998	FY 1999	FY 2000 Projected
Number Investigated	4,979	4,978	5,510	5,300
Number Confirmed	2,573	2,338	2,234	2,400

The number of children for whom the Department accepted for investigation of abuse or neglect has remained relatively stable between the fiscal years 1997-1999, with a substantial increase in fiscal year 1999 as shown by the table above. It is still too early to tell whether 1999's 532 additional reports are an abnormal increase or the beginning of a trend that will continue. If a projection is based on the 1997-1998 trend data it is expected that the number of investigations for which abuse or neglect is confirmed will increase slightly. It is also expected that the percentage of victims of abuse or neglect who are female will continue to represent approximately 54% of the total.

Number of Confirmed Cases by Gender

	FY 1997		FY 1998		FY 1999		FY2000 Projected	
Male	1,184	46%	1,098	47%	1,062	48%	1,100	46%
Female	1,389	54%	1,240	53%	1,172	52%	1,300	54%
Total Cases	2,573	100%	2,338	100%	2,234	100%	2,400	100%

Of particular concern to DHS is the number of children 5 years or younger who are abused or neglected. Children 5 years of age and below are particularly vulnerable to abuse and neglect due to their dependence on their caretakers and the lack of access to that age group by schools and other agencies. Children under 1 account for an average of 15% of the total reports annually, a percentage that is not expected to significantly change over time. For 1999 the number of confirmed cases by age for children zero to one decreased from 14% of the total number of confirmed reports to 10% of the total.

Number of Confirmed Cases by Age Categories

	FY 1997		FY 1998		FY 1999		FY 2000 Projected	
0 to 1 year	347	14%	333	14%	227	10%	330	15%
1 to 5 years	742	28%	701	30%	647	29%	638	29%
6 to 18 years	1,484	58%	1,304	56%	1,360	61%	1,232	56%
Total Children	2,573	100%	2,338	100%	2,234	100%	2,200	100%

The Department investigates cases of sexual and physical abuse, physical neglect, psychological abuse and threatened harm. The following table provides data on the distribution of abuse and neglect cases over the past three years.

Distribution of Confirmed Cases by Major Types of Harm

	FY 1997		FY 1998		FY 1999		FY 2000 Projected	
Sexual Abuse	171	9%	151	9%	196	7%	8%	180
Physical Abuse	526	27%	355	21%	352	12%	10%	250
Physical Neglect	297	15%	259	15%	299	10%	12%	290
Psychological Abuse	62	3%	65	4%	52	2%	3%	60
Threatened Harm	913	46%	885	51%	1,990	69%	68%	1,620
Total Cases	1,969	100%	1,715	100%	2,889	100%	100%	2,400

Outcomes

Listed below are seven outcome statements the Department developed against which we assess our year's progress. Data is collected for each of these outcomes quarterly and reported each year in the annual report.

Safety

Outcome #1: Reduce the number of confirmed cases of child abuse and neglect for children under the age of 1.

Prevention efforts such as Healthy Start, Baby Safe and Prevent Child Abuse Hawaii

are the programs that most clearly influence the progress that the State is making in achieving a reduction of child abuse. The Department's statistics show that between July 1997 and June 1999, the number of confirmed cases under the age of 1 remained relatively stable, with a decrease shown for FY 1999 only. It is expected that despite 1999's decrease, this relatively stable trend is expected to continue unless there is an increase in prevention efforts for this population.

Outcome #2: Reduce the number of confirmed cases of child abuse and neglect for children between the ages of 1 and 5.

The Department's statistics show a decreased number of confirmed cases for this age group between July 1998 and June 1999. This trend continues from FY 1997 and is expected to extend into FY 2000. Many factors may contribute to this decrease including the department's ongoing efforts to highlight and prioritize the safety of this extremely vulnerable group of children and the need for more prevention programs.

Permanency

Outcome #3: Increase the number of children under DHS placement with relatives versus non-relative foster care or group homes.

The primary goal of the Child Welfare Services Branch is to protect children from abuse and neglect. For most of the children who come into Child Protective Services, a safety plan is developed, services are provided and, with the Family Court's approval, the child is safely returned to his or her family. Sometimes children are removed from their family and placed into foster homes while the family demonstrates that they can safely care for their child. In order to minimize the disruption for children, the Department will first make an attempt to find a relative who can care for the child. If this is impossible, or a safe plan can not be assured, the Department will place a child in a non-relative foster home. DHS is responsible for recruiting and licensing foster parents throughout the state. DHS contracted the task of recruiting and training foster parents to the non-profit agency, Child and Family Services.

The purpose of this outcome is to increase the number of kinship placements in appropriate and licensed homes. The table below provides the percent of children in foster care placements, by type of placement for FY's 1997-1999.

Number of Children by Placement Type

	FY 1997		FY 1998		FY 1999		FY 2000 Projected	
Relatives	868	33%	1,190	36%	1,178	35%	1,266	35%
Non-Relatives	1,635	61%	1,984	60%	1,981	60%	1,898	60%
Group Homes	166	6%	151	4%	167	5%	166	5%
Total Children	2,669	100%	3,323	100%	3,326	100%	3,330	100%

*This table reports only placements for the above listed categories and does not include other settings such as the detention home, runaway, etc.

Data for 1999 reveals a decrease in the number of relative placements, despite the departments aggressive efforts to seek out and license those homes, when appropriate, as foster homes. The decrease may be due to the implementation of more stringent

licensing requirements in compliance with the licensing requirements of PL-105-89, the Adoption and Safe Family Act.

Outcome #4: Decrease the time spent in out-of-home placements for children under DHS protection who subsequently are returned safely to their own home.

With new federal laws, child protection agencies must make their recommendations to the Court more quickly, permanency decisions will be made by the Court more quickly. Thus, this outcome is to determine if families who are provided services by the Department and community are able to make changes that would ensure the safety of their children, and allow the Department to return children safely back into their homes in a timely manner.

Time Spent in Out of Home Placement by Year

	FY 1997	FY 1998	FY 1999	FY 2000 Predicted
Median Days to Return	61 days	56 days	86 days	60 days

Presently the data is showing the predicted increase, but it is too early to tell if this trend will continue.

Adoptions & Guardianship

Outcome #5: Increase the number of Completed Adoptions and Guardianships.

The DHS initiated an adoption backlog reduction project and along with help from the Attorney General's Office and the Family Court, the number of completed adoptions increased significantly. The Department attained the highest percentage increase in completed adoptions in the 50 States in 1998 and was awarded over \$500,000 in adoption incentives.

Number of Completed Adoptions by Year

	FY 1997	FY 1998	FY 1999	FY 2000 Projected
Number of Completed Adoptions	98	285	241	260

The department's goal was to increase the number of completed adoptions in 1999. The rate of adoptions has decreased slightly in 1999 from 1998, but still shows a 241% increase over FY 1997. With the department's ongoing effort to increase the number of prospective adoptive homes that are qualified and licensed, the number of completed adoptions should increase again in 2000.

Guardianship is an increasingly popular option for older children who do not want to give up their name, yet are minors in need of a placement with a family. In FY 1997, there were 30 completed guardianships, in FY 1998, there were 57, which increased to 100 in 1999.

Number of Completed Guardianships by Year

	FY 1997	FY 1998	FY 1999
Number of Completed Guardianships	30	57	100

Family Strengthening

Outcome #6: Increase the number of successful reunifications for children and their family without a subsequent DHS intervention for the next 12 months.

The rate of successful reunifications has been increasing since 1995. In FY 1997 the rate was 72%, for FY 1998, 75% and for FY 1999, 78%. Based on the upward trend data the rate of reunification is expected to maintain or exceed the FY 1999 rate.

Percentage of Successful Reunifications by Year

	FY 1997	FY 1998	FY 1999	FY 2000 Projected
Number of children	558	566	963	980
Percentage of Successful Reunification	72%	75%	78%	77%

*Number based on # of discharges for which reunification was the reason for discharge.

Outcome #7: Decrease the length of time families are involved with Child Welfare Services.

Child Welfare Services (CWS) offer a variety of programs and services that are designed to assist children and families improve their family functioning. However, it is the wish of CWS, as well as most families, that these services be completed appropriately, and in a timely fashion, without risking the safety of the child. Thus, this outcome is to examine the time it takes to complete services and successfully close cases.

Length of Time in Child Welfare Services by Days

	FY 1997	FY 1998	FY 1999
Duration of Intervention	371 days	347 days	372 days

The department is showing a slight increase in the average duration of CWS involvement with families.

There may be several reasons for the increase. Continued media and community concerns tend to make child protection workers more cautious in closing cases. Also, the workers continue to see continuously more serious cases than ever before. Further, over 80% of the CPS caseload involving families using such drugs as crystal methamphetamine or crack cocaine. Many families need to enroll in drug treatment programs, which may have waitlists thus lengthening their time with CWS. And as the Department continues to divert lower

level cases the severity of the safety issues of the families being seen will increase thus taking more time to assist.

Beginning in the year 2000 the department will use the federally required Combined Federal Regulations (CFR) outcomes in the Storybook. Using the CFR outcomes will ensure that the department's measurements of outcomes are consistent with those that have been agreed upon and implemented by all of the states and the federal government, to measure safety, permanency and well being of children who have been abused or neglected.

Accomplishments

The child Welfare Services Program has continued to make significant progress in its efforts to protect children from harm and neglect.

Community-focused Service Delivery:

- We have developed hybrid (dual-function) CWS Units in geographically defined areas.
- Diversion Purchase of Service Contracts have been implemented Statewide, to divert low risk and moderate CPS cases to community providers for services.

Improvements in Reporting, Intake and Assessment:

- A mandated reporter's checklist has been developed.
- The Risk Assessment Matrix has been expanded to all age groups for more consistent decision-making and to assure that appropriate cases are coming into CPS and appropriate cases are referred out.
- A dedicated reporters phone line has been installed for physicians on Oahu.
- Automatic referrals to police have been instituted for all accepted reports of child abuse and neglect.

Strengths-oriented and Family-empowering Practice:

- Ohana Conferencing has been continued with over 300 Ohana Conferences conducted to date.
- Technical assistance and training with National Resource Centers continue to be pursued.

Foster/Adoptive Parents Recruitment and Training:

- DHS contracted with CFS for foster parents/adoptive parents recruitment and training using CWLA's PRIDE curriculum. In the last fiscal year, CFS trained 426 families and approved 156 homes. All of these trainings are done in collaboration with a co-trainer who is a licensed foster parent.
- The Department co-sponsored an annual foster parents' conference with Hawaii State Foster Parents Association (HSFPA). Over 450 attended the conference on October 4, 1999. We also co-sponsored a number of foster parents' workshops with the HSFPA on different islands.

Increased Adoptions:

- Hawaii was rated #1 in the nation for the largest percentage increase in adoptions in federal FY98 (from 85 to 297 adoptions or 249%).
- DHS collaborated in the Adoption Connection Project. Over 500 people attended the Adoption Expo in September 1999 whose goal was to increase the number of potential adoptive families in Hawaii.

Multi-agency Partnership:

- DHS participates in the Court Improvement Project (one judge/one family).
- The Title IV-B/2 Regional and State Planning Committees modified their contracts to add time-limited family reunification services and pre- and post-permanency services to the previously contracted family support and family preservation services.

- DHS participates on the Multi-Agency Children Committee (Felix Consent Decree) with the Departments of Health and Education and the Judiciary.
- The department participates on the Child Death Review Panel.

Continuous Improvement:

- DHS has established Permanency Review Teams and Licensing Review Panels.
- There are now three (Oahu, Kauai, Hilo) Citizen Review Panels.
- There are internal and external death review panels and serious review panels to study tragedies and learn ways to prevent them.

Challenges/Opportunities

Hawaii's economy has not recovered from the recession of the early nineties and is not projected to recover significantly during the rest of the biennium. The following represent challenging issues in child welfare:

Children's Mental Health Consent Decree:

- Limited resources are being diverted from primary prevention programs to education and mental health services covered by the Felix consent decree

Lack of Substance Abuse Treatment and Services:

- An estimated 85% of our child welfare families have substance abuse problems. The current level of services is not adequate to meet the demand.

Concurrent Permanency Planning:

- New federal mandates require a shift in practice and thinking from seeing reunification and permanency options as two separate, sequential planning efforts.
- We need to expand our recruitment efforts to identify quality foster/adoptive homes.

Information Technology Improvement:

- Our computer system must be modified to be more user-friendly
- We must develop more in-house expertise.
- We have insufficient funding to make needed adjustments or to replace the system.

Vacancies and Staff Turnovers:

- We continue to have a high turnover rate.
- DHS continues to have difficulty in filling assessment/investigation positions.
- There is a need for more on-going staff development and training.

Community Partnership:

- There is a continual need to educate the public, the media, and the staff to promote mutual trust and collaboration between the department and the community.
- The critical role of the community in child protection must be emphasized and resources developed that will enhance our community's ability to assume a proactive role in our response to child abuse and neglect.

CHAPTER EIGHT

ADULT AND COMMUNITY CARE SERVICES BRANCH

Program Description

The Adult and Community Care Services Branch provides:

- Adult Protective Services. The focus of this program is the provision of crisis intervention, including investigation and emergency services to dependent adults who are reported to be abused, neglected or financially exploited by others or seriously endangered due to self-neglect.
- Home and Community-Based Services, including:

Chore Services: This program provides essential housekeeping services to enable eligible disabled clients to remain in the community.

Adult Day Care: This program assists a limited number of disabled adults with placement into, and the cost for, licensed adult day care services in the community.

Adult Foster Care: This program provides placement and case management services to eligible clients in adult residential care homes.

Senior and Respite Companion Programs: Through this program low income older adults provide in-home companionship and limited personal care to frail elders and provide respite and relief to caregivers.

Foster Grandparent Program: This program enables low-income seniors to assist children with special needs.

Medicaid Waiver Programs, including:

- **Nursing Home Without Walls (NHWW):** This program provides in-home services, as an alternative to institutional care to Medicaid-eligible individuals, including children, certified as requiring nursing facility level of care. Hawaii's NHWW program was established in 1983.
- **Residential Alternative Community Care Program (RACCP):** This program provides residential placements such as foster homes, Extended Care Adult Residential Care Homes (ARCH), and Assisted Living, as alternatives to institutional care for Medicaid-eligible adults who require nursing facility level care but are not able to benefit from in-home services because they have no caregivers or a residence.
- **Developmentally Disabled/Mentally Retarded Home and Community-Based Services Program (DD/MR HCBS):** This program has allowed for the de-institutionalization of Waimano Training School and Hospital residents. The program expanded services in 1989 to include DD/MR individuals living in the community who were Medicaid eligible and certified as requiring ICF-MR level of care. The Department of Health and DHS collaborated to maximize federal Medicaid reimbursement.
- **HIV Community Care Program (HCCP):** Persons diagnosed with HIV infection and/or AIDS who are Medicaid eligible and certified as requiring nursing facility level care are provided care services that support living in the community during the last stages of the disease.

- Program of All-inclusive Care for the Elderly (PACE): Established in 1995, this managed care program provides care service alternatives for elders certified as requiring nursing facility care through a Medicaid capitated rate.

Program Goals

- **Safety – Protection of Vulnerable Dependent Adults**
 1. Respond to reports of abuse/neglect of dependent adults.
 2. Maintain the number of dependent adults who are re-abused within a 12 month period below 5%.
- **Prevention of Premature Institutionalization**
 1. Provide a continuum of comprehensive home and community-based services.
 2. Increase the availability and choices of home and community-based service alternatives for frail and disabled adults and children.
 3. Maximize federal funds for reinvestment to expand home and community-based service alternatives.

Program Achievements

In Fiscal Year 1999:

- Adult protective reports were received on 453 dependent adults: 43% of the reports were investigated and confirmed for abuse, neglect, or financial exploitation; 78% of the victims were age 60 and older. Subsequent re-abuse within a 12-month period occurred for only 2.5 % of the confirmed reports.
- Institutionalization was prevented or delayed for a total of 4,010 frail elders, and disabled adults and children: 1,414 through the chore services program, 81 through the adult day care program, 468 through adult foster care services, and 2,047 individuals through the Medicaid waiver programs.
- Respite/temporary relief was provided to an average of 420 caregivers monthly through our Senior and Respite Companion Programs. The programs also supported 217 companions during the fiscal year.
- Through the Foster Grandparent Program, 150 foster grandparents volunteered their time to work with 650 children with special needs.
- NHWW and HCCP programs waiver programs initiated consumer directed personal assistance services, expanding the available options for clients to receive services.
- The RACC Program served 100% more clients in FY 1999 than in FY 1998. It also initiated the use of Expanded Care ARCHs as an appropriate placement alternative for clients in need of nursing facility level care.
- The NHWW Program served 26% more individuals in FY 1999 than in FY 1998. The Program met its goal for the number of unduplicated clients served.
- The DD/MR. HCBS Program served 16% more individuals in FY 1999 than in the previous year.
- The PACE Program served 56% more individuals in FY 1999 than in FY 1998. The Program expanded its service areas to include East Honolulu (up to Hawaii Kai), Pearl City and Aiea, and opened a second program site at Maluhia Hospital.

CLIENTS SERVED BY ADULT AND COMMUNITY CARE SERVICE BRANCH

PROGRAM	FY 96 Actual		FY 97 Actual		FY 98 Actual		FY 99 Actual	
ADULT PROTECTIVE SERVICES:								
Reports investigated	463		451		467		453	
Confirmed abuse or neglect	206		191		189		196	
HOME AND COMMUNITY-BASED SERVICES								
Chore	1562		1460		1435		1414	
Adult Day Care	104		95		80		81	
Adult Foster Care	1032		1031		735		468	
Senior Companion ¹	120	300	120	280	121	280	140	300
Respite Companion ²	50	120	55	120	55	110	77	120
Foster Grandparents ³	140	590	140	600	145	603	150	650
Medicaid Waiver Programs								
NHWW	NA		53		506		639	
RACCP	58		61		133		284	
DD/MR HCBS	NA		637		821		971	
HCCP	NA		87		77		66	
PACE	NA		45		70		87	

1. Senior Companions served annually
2. Respite Companions served annually
3. Foster Grandparents served annually

Average number of clients served monthly.
Average number of clients served monthly.
Children with special needs served annually.

FY 1999 Accomplishments:

- The Adult and Community Care Services Branch continued the process of integrating the Medicaid Waiver and adult service programs. Unit supervisors and line staff received cross training in Medicaid Waiver program procedures, and several units started using centralized intake systems. A steady decline in adult foster care cases, partially a result of placement procedural changes, will benefit the integration process. Adult service staff will be better prepared to assume responsibility for Medicaid waiver program clients. The result will be a continuum of services for clients and equalized caseloads amongst the Branch staff.
- A demonstration project to deinstitutionalize eight medically fragile children was initiated. The project provided confirmation that: a) medically fragile children can be successfully reunited in the community, b) it is possible to promote the healthy development of medically fragile children, and c) significant Medicaid cost savings can be realized by returning such children to the community. As a result of the project, the Branch has submitted an ongoing Medicaid waiver program for medically fragile children to, and is waiting for approval from the federal Health Care Financing Administration.

CHAPTER NINE THE MED-QUEST DIVISION

The Mission of the Med-QUEST Division is to develop and administer high-quality health care programs serving all eligible Hawaii residents while using state and federal moneys in the most efficient and cost-effective manner possible.

History of Medicaid

Medicaid was created in 1965 by Congress along with its sister program, Medicare. Medicare is a health insurance program financed through Social Security taxes and premiums. It covers the elderly and disabled population regardless of their income. Medicaid, on the other hand, is an assistance program jointly financed by the State of Hawaii and the Federal government. It provides health care to the low-income population.

Hawaii's Medicaid Program

The Med-QUEST Division of the Department of Human Services, administers the State's medical assistance, or Medicaid, programs. Enacted under Title XIX of the Social Security Act, the Federal government has a partnership with Hawaii. The Health Care Financing Administration of the Department of Health and Human Services administers Medicaid on a national level, and beginning October 1, 1999, covers 51% of the program cost.

The Med-QUEST Division heads the two programs under Medicaid which provide healthcare to eligible residents: Fee-For-Service (FFS) Medicaid and QUEST Managed Care.

Fee-For-Service (FFS) Medicaid

What is FFS?

Fee-For-Service Medicaid is a program that covers approximately 32,500 (06/99) eligible residents who are age 65 and older, blind or disabled. In the FFS program, recipients may see any participating Medicaid provider and the State pays for eligible medical services provided.

What are the requirements?

For both Fee-For-Service Medicaid and QUEST, eligible applicants must meet the following requirements:

- U.S. citizen or qualified alien;
- Hawaii resident;
- Not residing in a public institution;
- Assets not exceeding specified limits;
- Income not exceeding specified limits.

What services are provided under FFS*?

- Inpatient and outpatient hospital and clinic services including X-ray and laboratory examinations;
- Physicians' (including osteopathic) services;
- Nursing facility services and home health services;
- Drugs, biological and medical supplies including medical equipment and appliances;
- Podiatry (foot care);

- Whole blood;
- Eye examination, refraction and eyeglasses;
- Dental services (adults are covered for emergency services only);
- Family planning services;
- Psychiatric/psychological services;
- Diagnostic, screening, preventative and rehabilitative services;
- Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services for individuals under age 21;
- Prosthetic devices, including hearing aids;
- Transportation to, from, and between medical facilities, including inter-island or out-of-state air transportation, food and lodging when necessary;
- Respiratory care services; and
- Hospice care services.

*subject to limits, and may require prior authorization

QUEST Managed Care

What is QUEST?

QUEST is the total transformation of Hawaii's various public health assistance programs into a single privatized program. It develops a standard eligibility criteria and benefits package for persons who are not aged, blind or disabled. These participants are then able to choose their health care service provider under a competitive managed care system. QUEST serves over 120,000 eligible individuals statewide who are under age 65 and not blind or disabled.



Ms. Carmen H. Olivier, CNM, MSN, APRN with Client Ms. Anita Nakamura, Waimanalo Health

How does it work?

From time to time, the Med-Quest Division solicits Requests For Proposals from various health plans providing health care services within the state. By maintaining a standard benefits package and awarding contracts on a competitive bidding process, the state is able to take advantage of market competition and save money in the process. Medicaid then pays the premium based on Per Member Per Month bids submitted by the health plans. Members are able to then choose from a selection of health plans knowing that all plans offer a similar, if not the same benefits package. Once a year during Plan Change Period normally held in May, members may switch between the

differing plans.

Who are the providers?

Currently there are six health care maintenance organizations that all participate on Oahu, with a minimum of two of these providing service on the neighbor islands. They are AlohaCare, HMSA, Kaiser Permanente, Kapiolani HealthHawaii, Queen's Hawaii Care and StraubCare Quantum. Changes this year to the provider network include Kaiser Permanente no longer being offered on the island of Hawaii, and Queen's Hawaii Care no longer being offered on Kauai and Maui. Members of Kaiser and Queen's were picked up by the other participating plans on those islands. Members are also able to choose from three dental plans available on all islands: AlohaCare, DentiCare, and HMSA. HMSA was open to new members this past Plan Change Period. Beneficiaries choose their own primary care doctor and individuals under age 21 also choose a primary care dentist.

What services are provided under QUEST*?

- Inpatient Hospital Care – medical, surgical, and rehabilitation care, inpatient psychiatric and detox, maternity and subacute;
- Outpatient Hospital Care – emergency room, ambulatory surgical centers and outpatient psychiatric;
- Preventive Services – Early & Periodic Screening, Diagnosis & Treatment (EPSDT) for individuals under age 21, physical exams, immunizations, family planning, well baby visits;
- Prescription Drugs – (generic unless unavailable) maintenance prescription drugs, prenatal vitamins, and birth control pills for adults;
- Laboratory, Radiology, and Diagnostic;
- Physician Services;
- Home Health; and
- Dental Services – Individuals under 21 have full dental benefits, adults have emergency care only.

*subject to limits, and may have a co-payment

QUEST-Net

For members that have “fallen out” of QUEST due to increasing income, assets, etc., QUEST-Net offers beneficiaries limited health care benefits rather than no coverage at all. To be eligible for QUEST-Net, beneficiaries must first have been enrolled in QUEST and subsequently lost coverage, only to be caught by this “net”. The income range for QUEST-Net can be up to 300% of FPL.

Maternity benefits are not covered under this program. Once a female is determined pregnant, she may apply for QUEST and once deemed eligible, receive full maternity benefits including prenatal vitamins, physician visits, and the delivery of the infant.

EPSDT



Dr. Gitte M. Wengler with young Cody Koanui and mother Moana Koanui,

Early & Periodic Screening, Diagnosis & Treatment is a program offered through QUEST, QUEST-Net and Fee-For-Service Medicaid that provides additional services for children. In previous years, only children under age 19 received full EPSDT benefits, unless they were in foster care. In this case, they received full EPSDT benefits until they turned 21. Effective July 1, 1999, services were extended to individuals under age 21.

There is no co-payment and EPSDT provides coverage for:

- Complete medical and dental examinations;
- Hearing and vision tests, laboratory tests;
- Immunizations and skin tests for tuberculosis;
- Assistance with necessary scheduling and transportation upon request; and
- Additional needed treatment for conditions detected during screening.



Dr. A. Cazin of Waikiki Health Center and his young client.

Third Party Liability Program

The Third Party Liability (TPL) Program ensures that Medicaid and QUEST recipients who have other health insurance coverage exhaust their benefits before Medicaid or QUEST benefits are utilized. This process of coordination with other health insurance is called cost avoidance. Examples of other health insurance coverage are: Medicare, CHAMPUS, Veterans' Administration, Workers' Compensation, HMSA, HDS and Kaiser. QUEST Health plans saved \$1,699,733 and the Medicaid program avoided \$113,107,117 in costs. Of this amount, \$88,353,456 was attributable to the Medicare Program.

The TPL Program also recovers medical expenses when Medicaid or QUEST recipients are injured in motor vehicle accidents and employment related accidents, and when QUEST or Fee-For-Service Medicaid recipients recover damages from malpractice suits, product liability suits, and other lawsuits related to slip and fall injuries, assaults, etc. This TPL activity is called benefit recovery or pay and chase. If a third party is liable for the recipient's injury, the Medical Claims Unit in the Fiscal Management Office files a lien against the liable third party. Under certain conditions, a claim is also filed against the estate of the deceased Medicaid recipients for funeral, burial and medical expenses. As a result of cost avoidance, the total recovery amount for 1998 was \$1,898,529.

The State of Hawaii is constantly looking for new and innovative ways to expand upon its current Medicaid program. Currently, Hawaii is in the process of planning for the following:

HAPA Project

A year ago, the Department of Human Services (DHS) approached Medicaid officials from Arizona to use its Medicaid Information System for Hawaii's QUEST program. The Arizona Medicaid agency, Arizona Health Care Cost Containment System (AHCCCS), agreed to work with the DHS to enhance the AHCCCS system to meet Hawaii's needs. The AHCCCS's system is called the Prepaid Medical Management Information System (PMMIS).

The Arizona information system is a federally-certified system that is already in place, so it is believed that the risk and cost development will be greatly reduced for the State. The DHS is currently in final negotiations with AHCCCS and expects work to begin in November of this year and continue through the end of 2001. This two-state project is called the Hawaii Arizona PMMIS Alliance, or HAPA.

Children's Health Insurance Program

The Children's Health Insurance Program (CHIP), considered the largest expansion of health care coverage since the enactment of Medicare and Medicaid, was created through an enactment of Title XXI of the Social

Security Act in the Federal Balanced Budget Act (BBA) of 1997. Under this legislation States are afforded the opportunity to use enhanced federal fund match (65% federal and 35% state) to initiate and expand health insurance coverage for uninsured children up to age 19 with family incomes up to 200% of the federal poverty level. These children would normally not qualify for other Medicaid programs as their incomes exceed the eligibility criteria of those programs.

Hawaii's CHIP State Plan proposal, submitted to HCFA in October, 1998, was approved on January 19, 1999. The State plans on implementing CHIP as a Medicaid expansion through our existing programs.

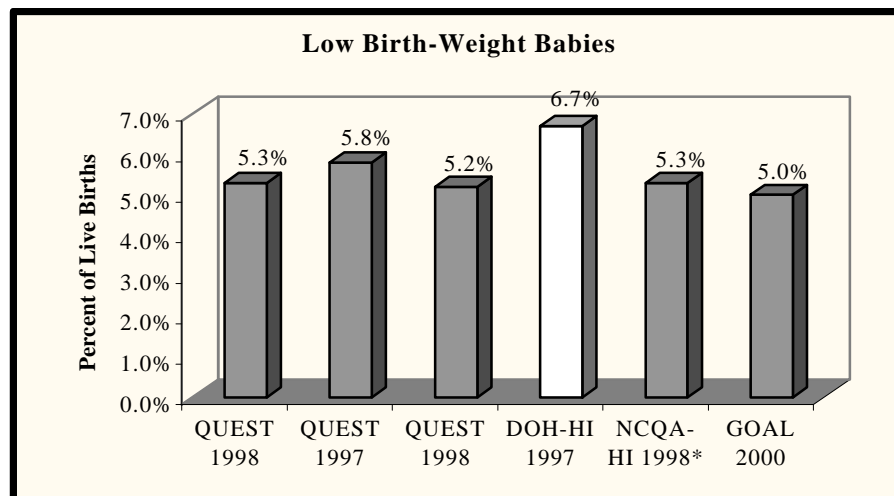
As a Medicaid expansion program, all Medicaid covered services, including services covered by the Early and Periodic Screening, Diagnosis and Treatment program will be provided to these children. Implementation of Hawaii's CHIP remains contingent upon the availability of the State's 35% matching fund requirement.

In gearing up for CHIP, the Med-QUEST Division has been working with Hawaii Covering Kids, a three year grant program funded by The Robert Wood Johnson Foundation. Hawaii Covering Kids has offered to bring together different public and private organizations that will help educate qualified children and their parents on how to access the medical coverage they need. The State of Hawaii will be working with Hawaii Covering Kids to coordinate various outreach and enrollment activities for CHIP eligible children.

Quality Measures for QUEST

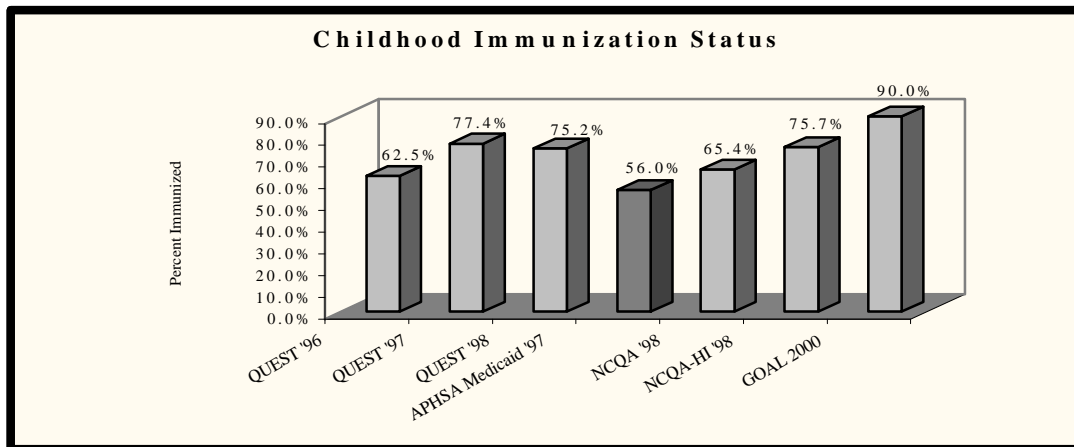
Low Birth Weight Babies

In 1998, the low birth-weight rate for the QUEST population dropped from 5.8% in the previous year to 5.2%. The QUEST population has performed very well when compared to its commercial peer (NCQA accredited plans in Hawaii) and the Hawaii State population (Hawaii DOH report). QUEST's performance in 1998 is also close to the Healthy People 2000's goal of 5.0%.



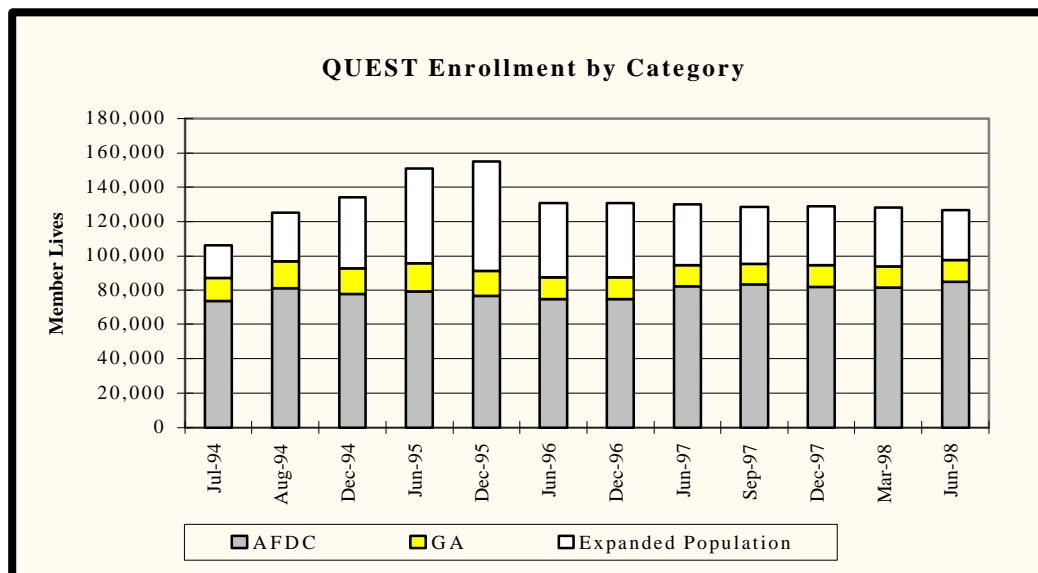
Childhood Immunization Status

Despite the slightly lower immunization rate in fiscal 1998 (due to definition changes in the HEDIS measures), the QUEST program out-performed two important, national benchmark measures – the National Committee on Quality Average (NCQA) and the American Public Human Services Association (APHSA). It also performed better than its commercial, NCQA accredited plans in Hawaii.



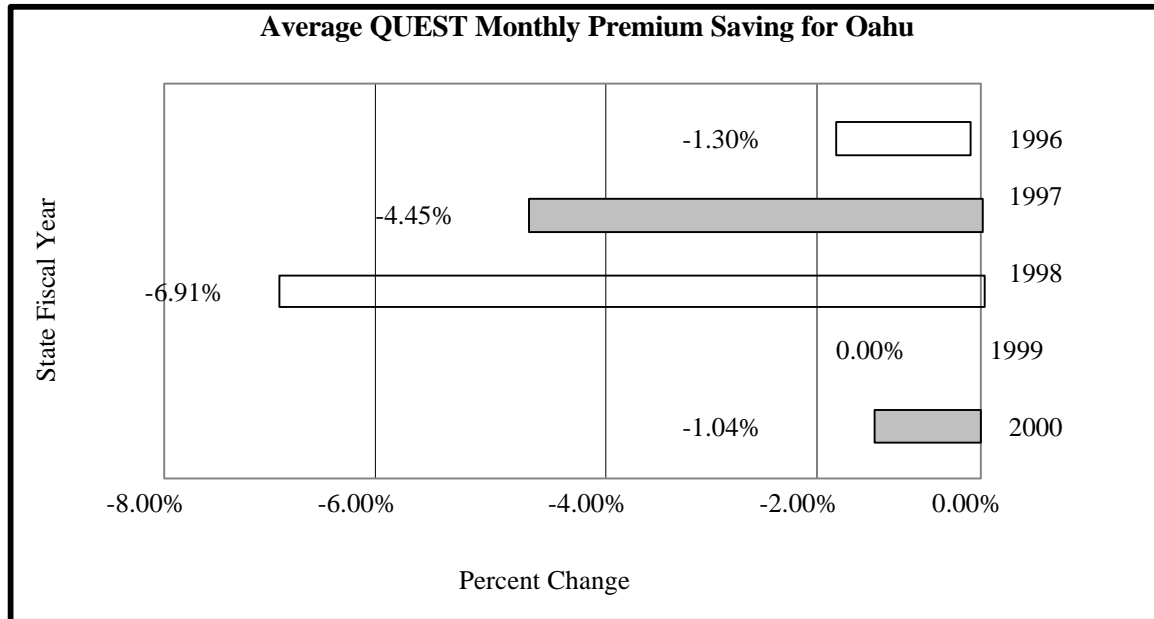
QUEST Enrollment

The chart below shows that the QUEST program continues to cover more people than prior to its implementation in July of 1994.



Cost Containment in QUEST

Since its inception in August 1994, the average monthly premium for QUEST, as reflected by the monthly premium for Oahu, has dropped by 13.1%. This translates into an average, cost saving of 2.7 % per year for the program.



CHAPTER TEN VOCATIONAL REHABILITATION & SERVICES FOR THE BLIND DIVISION (DVR)



“It is through employment that we empower individuals with disabilities toward economic self-sufficiency, independence, and inclusion and integration into society.”

The Division’s three programs have separate but related functions to provide for the rehabilitation needs of persons with disabilities to secure employment and to lead full and independent lives.

Vocational Rehabilitation Program

The Vocational Rehabilitation Program provides vocational rehabilitation services to assist persons with disabilities to prepare for and enter the world of work. The economic benefits of the VR Program are significant. They include increased earnings and purchasing power, increased taxes paid, and a decreased dependency on public assistance. As persons with disabilities achieve the employment outcome intended by the program, they become taxpaying citizens and more than “payback” the costs of the program.

FY 1999 Highlights:

- Only 14% of rehabilitated individuals were competitively employed at application, but 86% were employed at closure.
- The percentage of persons with earned income of any kind increased from 15% at application to 95% at closure.
- Weekly earnings rose by an average of \$229 per person (from \$35 per week at application to \$264 per week at closure).

“People with disabilities want real jobs in the competitive labor market, wherein they can perform real work which contributes to the economy. They want jobs in which they are paid a living wage, so that they can support themselves and their families.”



Rehabilitant of the Year Ricky Melchor
with Senator Jan Yagi Buen and VR
Counselor Kathy Hinchliffe

The purpose of the VR Program is to assist persons with disabilities into employment. VR Counselors help clients develop plans that meet their individual needs. Services may include vocational assessments, diagnosis and treatment of impairments, vocational counseling and guidance, rehabilitation technology services, supported employment, vocational and other training, job placement and follow-up.

FY 1999 VR Program Outcomes

VRD served 6,630 citizens with disabilities throughout the state;
Received 2,350 New Referrals; and
Assisted 538 individuals in obtaining employment
463 (86%) went to work in competitive jobs;
213 (40%) had severe disabilities; and
174(32%) received Public Assistance prior to their rehabilitation.

A cost effective program, VRD services increased the annual earning power for people with disabilities by 654%, from an average of \$1,820 prior to receiving services to an average of \$13,728 after Rehabilitation.

TRENDS	FY 97	FY 98	FY 99
Consumers Served:	5,773	5,627	6,630
Referrals Received:	2,252	2,416	2,350
Placed into Jobs:	425	424	538
In Competitive Jobs:	352 (83%)	349 (82%)	463 (86%)
Consumers with Severe Disabilities:	138 (32%)	154 (36%)	213 (40%)
Receiving Public Assistance:	166 (39%)	150 (35%)	174 (32%)
Net Gain in Annual Earning Power:	790%*	444%**	654%+

* Pre VR service : \$1,508

Post VR service: \$13,416

** Pre VR service: \$2,132

Post VR service: \$11,596

+ Pre VR service: \$1,820

Post VR service: \$13,728

Services For the Blind Program - Ho'opono

Ho'opono, the Services for the Blind Branch, enables visually impaired adults to attain maximum vocational and functional independence with its team of skilled professionals providing varied services to met the consumers' individual needs.

FY 1999 Ho'opono Program Outcomes

- Adjustment Section served 160 people and taught 131 persons with severe disabilities to adjust to their blindness and to live more independently.
- The Low Vision Clinic served 580 people and prescribed optical aids for 341 persons to make maximum use of their residual vision for reading and distance viewing.
- Vocational Rehabilitation Specialists placed 24 individuals with severe visual problems into a wide range of jobs.
- The Rehabilitation Teacher provided in-home services which assisted 69 persons to resume personal, leisure, and home management activities.
- The Ho'opono Workshop served 36 people. Gross sales from manufactured goods, subcontracted work and from sales to military commissaries and base exchanges totaled \$733,234.
- The 36 Vending Facilities located in government buildings generated \$14,818,033 in gross sales. General excise paid by the vendors totaled approximately \$75,194 and personal income taxes are estimated at \$902,330.
- A wide range of volunteers provided 4,783 hours of support services to the agency. The estimated value of these services totaled approximately \$35,975.

Disability Determination Program

The mission of the Disability Determination Branch (DDB) is to determine eligibility for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits, and refers those who can benefit to VR for services.

DDB adjudicates and processes disability claims of Hawaii residents for SSDI authorized by Title II of the Social Security Act, and SSI authorized by Title XVI of the Act.

The SSDI program provides benefits to insured workers with disabilities and their families based on the workers' employment and earnings history. The SSI program serves financially needy aged, blind and disabled individuals, including those with no recent employment experience. Claimants may also be eligible for benefits under both programs.

1999 DDB Program Outcomes

9,361 disability determination cases were processed;
3,501 favorable determinations were made;
94% accuracy rate achieved on all determinations processed;
195 individuals who applied for SSDI or SSI benefits were referred to the Vocational Rehabilitation Program for services; and,
257 children (under age 16) who were allowed SSI benefits were referred to the Department of Health, Children with Special Needs Branch.
11,351 individuals, plus 4,029 dependents currently receive SSDI benefits and 12,454 individuals currently receive SSI benefits. The actual SSDI and SSI payments made to residents of Hawaii totaled approximately \$170,211,000.

TRENDS	FY 97	FY 98	FY 99
Claims Processed:	8,819	8,726	9,361
Favorable Determinations:	2,409	4,387	3,501
Accuracy Rate:	97%	94%	94%
Referred To VR:	369	358	195
Payments made to Hawaii's residents:	\$142,000,000.	\$136,943,000.	170,211,000

CHAPTER ELEVEN INVESTIGATION AND RECOVERY ACTIVITIES

Program Description

Operating in a support role to the various entities of the Department, the goals of the Investigations Office (INVO) are to:

- (1) prevent ineligible applicants from receiving public assistance;
- (2) detect, investigate and report fraudulent applicants to line workers for termination of fraudulent recipients;
- (3) refer fraudulent recipients for administrative and/or criminal prosecution; and
- (4) collect moneys due to the Department as a result of overpayments made in fraud and non-fraud cases.

Fraud Investigative Activities

During 1999 (FY 1998-99), 3,107 complaints and referrals were received either over the Fraud Hotline or in written form from concerned citizens or Department employees. In response to these complaints and referrals, INVO staff completed 778 cases which were disposed of as follows:

<u>Disposition</u>	<u>Cases</u>	<u>Overpayment Involved</u>
Criminal Prosecution	57	\$1,355,787
Recipients Waived the Right to an Administrative Hearing	400	1,335,301
Found Guilty at Administrative Hearing	71	172,009
Found Not Guilty at Administrative Hearing	2	3,654
Totals:	530	\$2,886,781

Those persons convicted in the criminal courts or found to have committed violations by administrative process are disqualified from the appropriate assistance programs for various periods ranging from 12 months (first offense) to lifetime (third offense). In addition, all payments illegally received must be repaid.

Recovery Activities

In addition to the investigation and resolution of suspected fraud cases, INVO provides several support functions to the Department's efforts to collect moneys improperly received by ineligible recipients, including the entry of all overpayment reports into the Automated Recovery System (ARS).

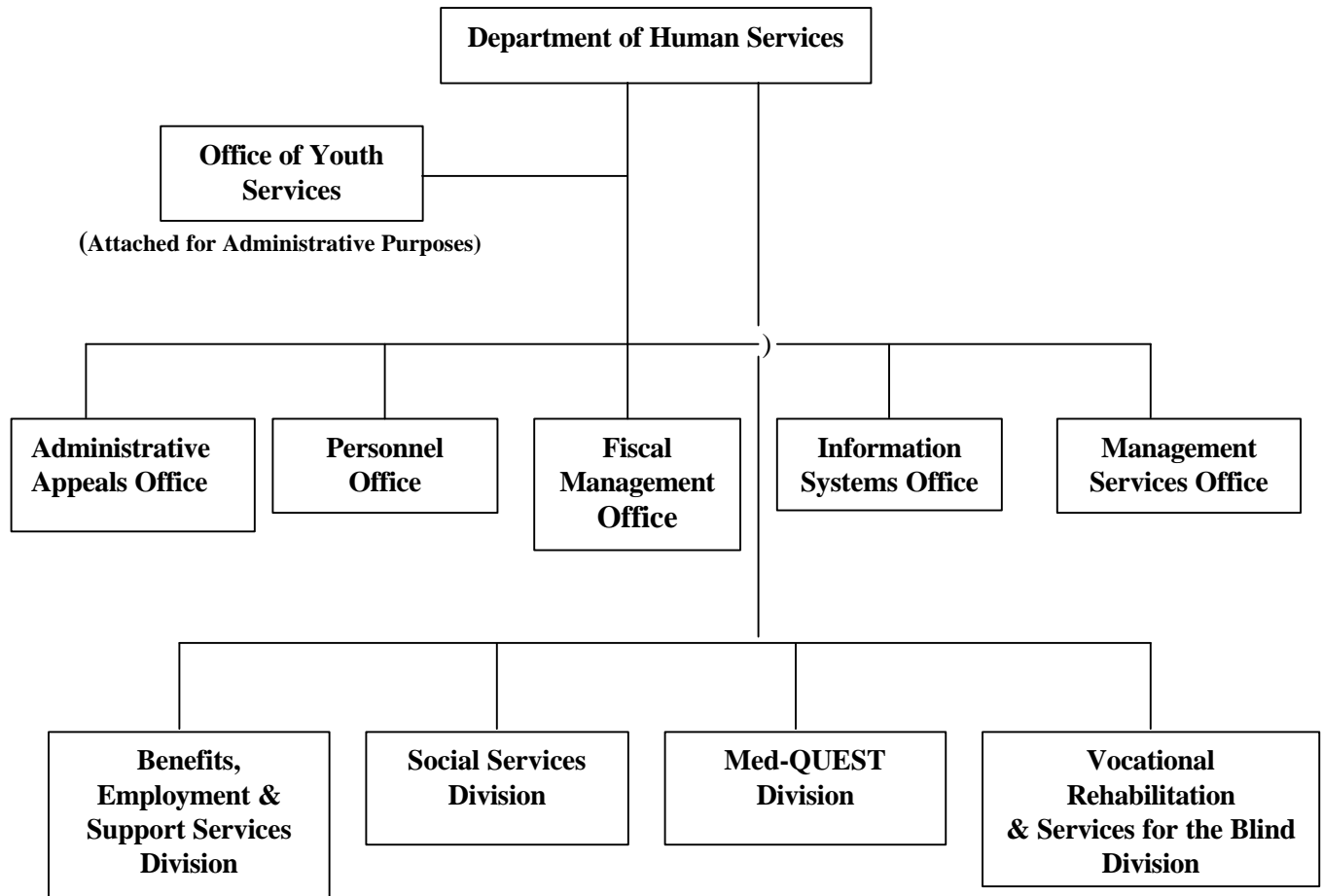
Other recovery activities included:

- (1) 33 cases were referred to the Department of the Attorney General for recovery by civil suit, wage garnishment, or other judicial remedies. \$29,870 have thus far been collected in these cases.
- (2) 21 Small Claims Court suits were filed by INVO investigators for initiation of garnishment action and \$4,154 was collected during the year from this source.
- (3) INVO investigators filed 55 Criminal Judgments and Restitution Orders, totaling \$1,105,732 owed. During the year, \$65,542 was repaid when five of these cases which were repaid in full.
- (4) 3,291 individuals were located for the public assistance and social service programs.

Collections:

Fiscal Year	FY 97	FY 98	FY 99
Overpayment Balance	\$9,893,082	\$9,259,739	\$6,806,949
Amount Collected	\$3,836,486	\$3,818,592	\$4,172,954

**Department of Human Services
Organization Chart**



**Department of Human Services
Budget for FY 2000
By Division and Attached Agency**

Appendix B

<u>Division</u>	<u>HMS</u>	<u>Program Title</u>	<u>Positions</u>	<u>Amount</u>
BESSD	201	Temporary Assistance to Needy Families	0.00	89,201,868
BESSD	202	Payments to Assist the Aged, Blind & Disabled	0.00	24,160,871
BESSD	203	Temporary Assistance to Other Needy Families	0.00	44,381,664
BESSD	204	General Assistance Payments	0.00	24,761,632
BESSD	206	Federal Assistance Payments	0.00	1,491,331
BESSD	236	Eligibility Determination & Employment Related Services	595.00	23,997,872
BESSD	237	Employment & Training	2.00	2,661,084
BESSD	302	Child Care Services	25.00	6,055,787
BESSD	305	Child Care Payments	0.00	28,389,924
BESSD	903	General Support for Benefit, Employment and Support Services	103.00	20,407,843
MQD	230	Health Care Payments	0.00	326,018,184
MQD	245	QUEST Health Care Payments	0.00	292,148,629
MQD	902	General Support for Health Care Payments	122.00	18,384,634
SSD	301	Child Welfare Services	372.00	39,439,962
SSD	303	Child Placement Board & Related Client Payments	0.00	23,706,612
SSD	601	Adult Community Care Services Branch	81.50	12,274,999
SSD	603	Home & Community Based Care Services	0.00	42,959,446
SSD	901	General Support for Social Services	25.00	2,539,282
VRD	238	Disability Determination	45.00	4,538,187
VRD	802	Vocational Rehabilitation	116.50	13,863,169
OYS	501	Youth Services Administration	22.00	3,522,676
OYS	502	Youth Services Program	0.00	4,392,916
OYS	503	Youth Residential Programs	75.50	6,458,643
ADMIN	904	General Administration (DHS)	186.00	7,627,735
DHS TOTAL:			<u>1770.50</u>	<u>1,063,384,950</u>

Legend

BESSD = Benefits, Employment and Support Services Division
 MQD = Med-QUEST Division
 SSD = Social Services Division
 VRD = Vocational Rehabilitation and Services to the Blind Division
 OYS = Office of Youth Services
 ADMIN = Departmental administration

**Department of Human Services
FY 1999 Expenditures and Encumbrances
By Division and Attached Agency**

Unaudited

<u>Division</u>	<u>HMS</u>	<u>Program Title</u>	<u>Amount</u>
BESSD	201	Temporary Assistance to Needy Families	98,264,790
BESSD	202	Payments to Assist the Aged, Blind & Disabled	21,253,307
BESSD	203	Temporary Assistance to Other Needy Families	48,756,256
BESSD	204	General Assistance Payments	24,560,133
BESSD	206	Federal Assistance Payments	924,996
BESSD	236	Eligibility Determination & Employment Related Services	23,376,328
BESSD	237	Employment & Training	1,074,623
BESSD	302	Child Care Services	29,936,040
BESSD	903	General Support for Benefit, Employment and Support Services	19,012,911
MQD	230	Health Care Payments	375,848,292
MQD	245	QUEST Health Care Payments	242,650,571
MQD	902	General Support for Health Care Payments	12,735,115
SSD	301	Child Welfare Services	35,091,169
SSD	303	Child Placement Board & Related Client Payments	23,287,566
SSD	601	Adult Community Care Services Branch	11,653,313
SSD	603	Home & Community Based Care Services	33,067,079
SSD	901	General Support for Social Services	2,482,551
VRD	238	Disability Determination	4,672,097
VRD	802	Vocational Rehabilitation	13,540,181
OYS	501	Youth Services Administration	2,778,409
OYS	502	Youth Services Program	4,196,015
OYS	503	Youth Residential Programs	6,444,370
ADMIN	904	General Administration (DHS)	8,241,832
DHS TOTAL:			1,043,847,944

Legend

BESSD = Benefits, Employment and Support Services Division
 MQD = Med-QUEST Division
 SSD = Social Services Division
 VRD = Vocational Rehabilitation and Services to the Blind Division
 OYS = Office of Youth Services
 ADMIN = Departmental Administration